



MACHAKOS UNIVERSITY

University Examinations for 2020/2021 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

SECOND YEAR SPECIAL/ SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF SCIENCE (INFORMATION TECHNOLOGY)

SIT 205 ENTREPRENEURSHIP AND BUSINESS PLANNING

DATE: 24/3/2021

TIME: 8.30-10.30 AM

INSTRUCTIONS:

Answer Question ONE and any other TWO Questions.

QUESTION ONE (30 MARKS)

Boon Company was marked with a lot of success for last 10yrs. The company had been started to assist entrepreneurs in Kisumu town to use ICT systems in running their businesses .The directors of the company felt that due to the market success, there was need to introduce new ICT systems in the market which was seen as a good business opportunity. All the director felt it was important to conduct business analysis on the same to establish the viability of the investment, since they were not sure whether to take the risk or not. Two directors were given an assignment to conduct business analysis to establish the viability of risk taking in the business opportunity. It took the two directors one year to complete the assignment and their report was positive. Meanwhile another competitor has taken up the risk and was doing well. The two directors were blamed of spent money for company and taking too long while the other two directors were blamed for not taking the risk when the opportunity was identified by the two.

Required ;

- a) Outline five reasons for conducting business analysis before investing in a new business venture. (5 marks)
- b) Analyze five types of risks. (8 marks)

- c) Explain the factors to consider when evaluating a business opportunity. (10 marks)
- d) Give reasons why the company should have taken the business opportunity even when their competitors had. (7 marks)

QUESTION TWO (20 MARKS)

- a) Starting a business is a process. Discuss the steps to follow when starting a business. (10 marks)
- b) Explain the importance of entrepreneurship to economic development. (10 marks)

QUESTION THREE (20 MARKS)

Good business planning is associated with business success.

- a) Outline the importance of business plan. (5 marks)
- b) Prepare the following contents of the business plan
 - i. Business description. (10 marks)
 - ii. Organizational plan. (5 marks)

QUESTION FOUR (20 MARKS)

- a) Advise a young entrepreneur on the process of decision making. (10 marks)
- b) Explain five sources of business finance. (10 marks)

QUESTION FIVE (20 MARKS)

- a) There are different forms of businesses. Discuss four forms of business registration. (12 marks)
- b) Entrepreneurs vary. Discuss eight types of entrepreneurs giving examples. (8 marks)